

**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
COMMISSION DIRECTIVE**

ADMINISTRATIVE MATTER

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DATE

April 25, 2018

MOTOR CARRIER MATTER

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DOCKET NO.

2017-381-A

UTILITIES MATTER

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ORDER NO.

2018-308

THIS DIRECTIVE SHALL SERVE AS THE COMMISSION'S ORDER ON THIS ISSUE.

SUBJECT:

[DOCKET NO. 2017-381-A](#) - Office of Regulatory Staff's Petition for an Order Requiring Utilities to Report the Impact of the Tax Cuts and Jobs Act - Staff Presents for Commission Consideration the Filings of the Office of Regulatory Staff Dated March 7, 2018 and March 30, 2018.

COMMISSION ACTION:

The Tax Cuts and Jobs Act, effective January 1, 2018, reduces the federal corporate tax rate from 35% to 21%. These new federal requirements affect the current tax expense and deferred tax accounting methods used by utilities.

Because of this effect, the Office of Regulatory Staff has recommended in its March 7 and March 30 filings in this Docket that utilities calculate and defer the effects resulting from the Tax Act, starting January 1, 2018. I concur and move that we adopt the recommendations as follows.

To ensure that all utilities account for these changes in a similar manner, beginning January 1, 2018, regulatory accounting treatment is required for all regulated utilities for any impacts of the new law including current and deferred tax impacts. Therefore, the utilities should track and defer the effects resulting from the Tax Act in a regulatory liability account.

Further, natural gas utilities, should be prepared to address Tax Act savings in their next Natural Gas Rate Stabilization Act proceedings.

For the electric utilities, the issue will be addressed in the next rate case or other proceeding.

For water/wastewater utilities with operating revenues that are equal to or greater than \$250,000, the issue will be addressed in the next rate case or other proceeding.

Last, this order does not apply to telecommunication utilities whose rates are not regulated by the Commission or those companies which have elected alternative regulation under S.C. Code Ann. §58-9-576. Since these companies are not regulated based on their costs or earnings, it is unnecessary for the Commission to evaluate the impact of the Tax Act.

PRESIDING: WhitfieldSESSION: Regular

TIME: 2:00 p.m.

MOTION YES NO OTHER

BOCKMAN

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ELAM	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FLEMING	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HAMILTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HOWARD	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RANDALL	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
WHITFIELD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Absent

Family Sick Leave

(SEAL)

RECORDED BY: J. Schmieding

